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Katherine Nutt

From:

Sent:

To:

Subject:

Wednesday, May 12, 2010 4:11 PM

Mayes-WebEmail; Pierce-Web; Newman-Web; Kennedy-Web; Stump-Web

AZ AM WATER RATE CONSOLIDATION

Dear Chairman Mayes and Commissioners Kennedy, Newman, Pierce and Stump:

I am in favor of rate consolidation and was truly dismayed when I heard that the ACC Staff along with RUCO have recommended against consolidation for Arizona American Water's (AAW) customers.

In the Rate Consolidation Direct Testimony of May 3, 2010, Director Jerich summarizes in seven points why RUCO opposes consolidation. Two of those points have to do with "strong opposition" by large customers and "lack of interest" by those "who would immediately benefit from rate consolidation," one of which is presumably Tubac with 532 customers. If every Sun City customer, for example, wrote a letter to you against consolidation and every Tubac customer wrote you a letter in favor of it, in an election, the "nays" would win by a landslide. BUT, this isn't an election, it's about fairness to AAW customers and please let me assure you that our base of mostly retired customers are very concerned over rates. This has already been demonstrated by how hard Tubac as a community worked through their citizens council for a successful and tremendously less costly solution to the arsenic issue. I believe you will be seeing letters on the consolidation issue.

I will leave the details to the experts, but consolidation would bring fairness to the rates throughout the company's base easing the burden for the average customer by a potential 33% according to AAW without unduly raising rates for larger districts' users. Even if a larger district experienced a "slight" increase due to consolidation, this still appears to me to be a more fair and equitable solution.

Consolidation would also benefit the Arizona American Water company. In AAW's Rebuttal Testimony, Thomas Broderick states "the only sensible alternative approach to stand-alone rates is a state-wide rate consolidation of the Company's districts on a transition timeline which mitigates the short-term rate increases and decreases."

I appreciate the efforts of the Arizona Corporation Commission to find a fair solution for all and for looking out for those with the smaller voice.

Sincerely,

Nancy M. Bohman

Tubac, Arizona 85646

Arizona Corporation Commission  
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